

Fundamental Aspects for International Shipping

Shipping to Canada from Colombia

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We encourage independent research directly with regulators and to see professional counsel as necessary.

Fundamental Aspects for International Shipping

- HS Codes
- Valuation
- Country of Origin
- Resulting duty assessment

Export Declaration from Colombia

Canadian - Colombia Free Trade Agreement

Non-Resident Importer (NRI) to Canada



https:// www.jetworldwide.com/ blog/options-shippingcanada-from-colombia

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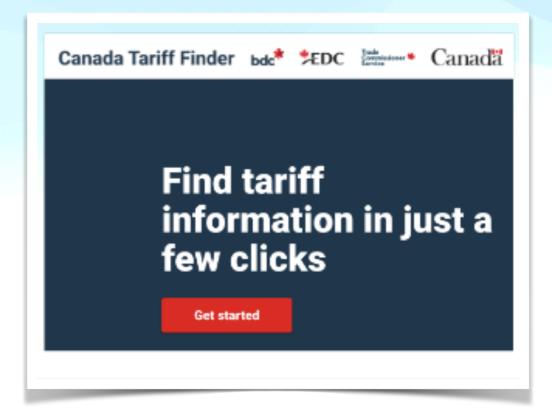
HS Codes

Finding a Canadian HS codes





Canada Export Development Corp



A link to these tools are included on <u>Jet's blog on HS Codes</u>



Shipping to Canada

HS Codes

Generic Harmonized System (GHS) to Canada

Canada has a tariff classification process for qualified postal and courier imports. The system may be used in lieu of a more detailed classification. This a great benefit for e-commerce imports.

This gives the option to apply one of three generic Most-Favoured-Nation (MFN) tariff rates. Assessment on "special classification provisions" found in Chapter 98 of Canada's Customs Tariff.

| GHS Tariff Structure | | |
|----------------------|------------|-------------------------------|
| Tariff Item | MFN Tariff | Preferential Tariff Treatment |
| 9825.10.00 | 20% | e.g. UST/MT/ CT - Free |
| 9825.20.00 | 8% | e.g. UST/MT/ CT - Free |
| 9825.30.00 | 0% | e.g. UST/MT/ CT - Free |

Shipping to Canada

HS Codes Export versus Import

Advance Ruling

Importers to Canada can request an advance ruling to verify the correct tariff classification. Request can be made directly to Canadian customs/ CBSA.

Jet's blog on HS Codes



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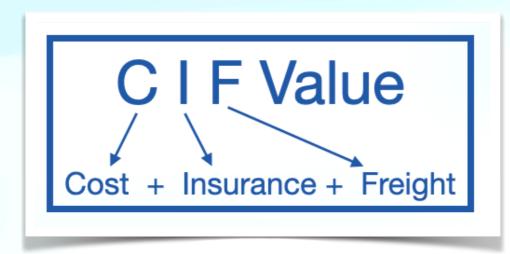
Non-Resident Importer (NRI) to Canada

Valuation / Value For Duty

Transaction Value

In the majority of the cases, the correct value to declare at export and import is the "transaction value." The transaction value is the price paid - or payable - for the goods.

The cost of shipping and insurance is included as part of the transaction value (known as CIF value).

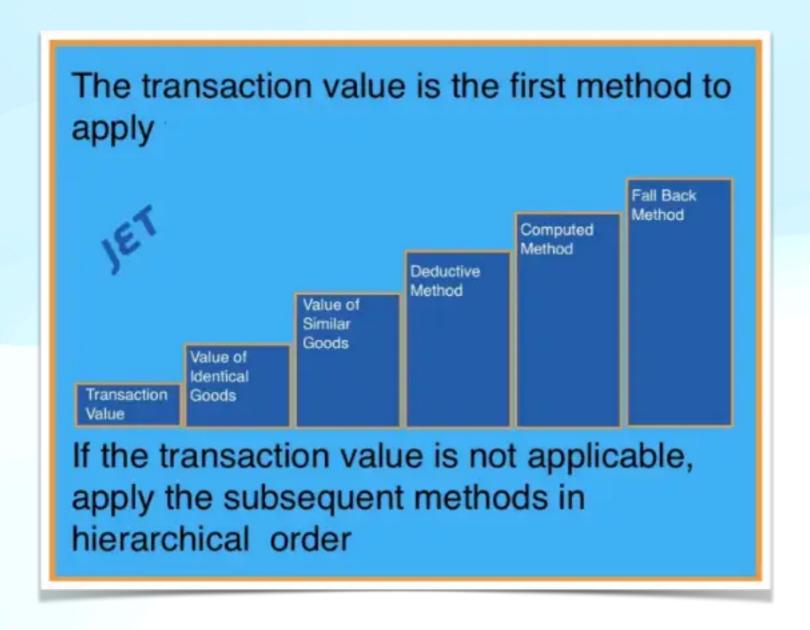




Useful information regarding Odeclared value and CIF



Valuation / Value For Duty



Useful information regarding declared value and CIF



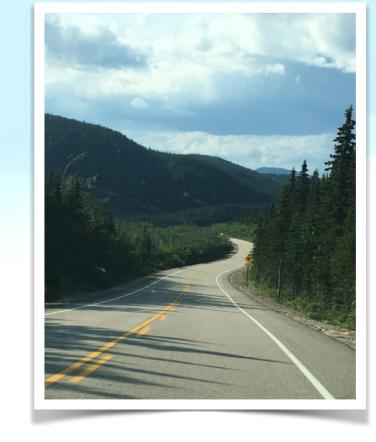
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Country of Origin

Just the purchase and shipping an item from Colombia does not grant duty free status to Canada Shipping from Colombia ≠ Colombian origin goods

To benefit from preferential duty free import to Canada, goods must qualify under the rules of origin under a free trade agreement.

All Shipments from Colombia are subject to:

- Standard import processing
- "Most Favoured Nation" / default rate of duty (unless they qualify as originating)
- Restrictions on specific categories including food, drugs and alcohol

Useful information on Shipped from vs. country of origin



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Canada's Import Tariffs / Duty

Import Duty is primarily determined by three main factors

- HS Code / tariff classification
- Country of Origin
- = % Duty

% Duty (x) Value = Resulting Duty Assessment

* Note that duty is sometimes based on volume, weight or other measurements rather than value

Other Canadian Import Fees

- Federal and Provincial Sales Tax
- Entry Preparation and Related Fees
- Carrier Disbursement Fee

Useful information
Canadian import fees



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Export Declaration

Confirm the export formalities from Colombia.



https://www.dian.gov.co/





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CCFTA Free Trade Agreement

The Canada Colombia Free Trade Agreement (CCFTA) addresses various aspects of trade, including market access, rules of origin for preferential duty free import.

The key advantage for merchandise trade is Colombia origin goods can qualify for preferential duty free import. Be sure to include a certification of origin.



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Non-Resident Importer/ NRI

The NRI program allows Colombia businesses to get a Canadian Business Number (BN). This is the most common way for foreign companies to import goods to Canada.

This program allows Colombia companies to effectively operate as their own distributor across Canada. It can simplify the import process. Large bulk imports can import via one customs entry for de-consolidation and distribution to multiple consignees.

The requirements include record keeping, posting of a surety bond to benefit from customs release prior to payment of import fees, and reporting.

Note: Different methods of valuation/ "value for duty" may apply



Visit CBSA website

.... or contact a Canadian customs broker or an accounting firm for more information.



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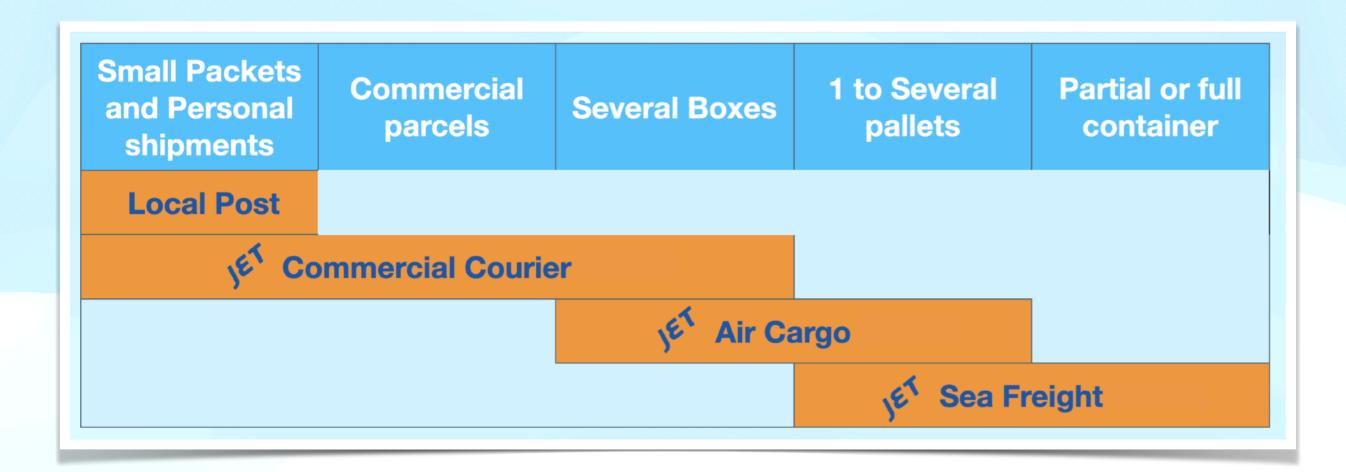
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Contact our team for pricing and support



Shipping Options and processes: Colombia to Canada

For Parcels: Obvious .. and often.. good choices FedEx, UPS and DHL

- Beware of import fees
- Disbursement fee prepayment fee often applies with a minimum charge
- The import fees can be significant as a percentage of the value of the shipment

Local Post 4-72

Best option for individuals shipping personal goods

Multi piece shipments, heavier packages pallets benefit from economy air and sea freight





Returns in Canada for Colombia Companies

Return Solutions Canada to Colombia

A necessary consideration when setting up export processes to a foreign country is management of returns.

- Refused deliveries
- Damaged goods
- Regular product returns
- Receive and reship

Jet Worldwide currently manages Amazon removal order, and return support for overseas companies. Goods ship back via economy air or LCL ocean.





